



# 2006 GOVERNOR'S CONFERENCE



**MISSION:  
POSSIBLE**

*Invent the Future*



# Department of Economic & Community Development

- **Program Management Division**
- **Philip Trauernicht-Director**
- Paula Lovett-Grants Program Manager
- Carolyn Hirschi-Financial Manager
- Jeff Bolton-Loan Program Manager





# **FIDP - FastTrack Infrastructure Development Program**

- **Streamlined grant application process (Formerly TIIP)**
- **Monies allocated to assist local governments**
- **Providing Infrastructure to new/expanding industries**
  - **Water/Sewer/Gas/Electric**
  - **Transportation (Road & Rail)**
  - **Site Improvements/Drainage**
  - **Fiber-optics**
  - **Technology/Regional**






# Funding Criteria

- **Number of jobs**
- **Quality of those jobs**
- **Capital investment of Company**
- **General Company review**
- **Infrastructure needs**
- **Grant rate of the grantee**
- **Economic Status of the County**
- **Three star level/incentive rate of the grantee**





# Application/Approval Process

- Applications accepted any time of the year
- Must be submitted by County/Municipal Governments or other political subdivisions authorized to receive/expend funds
- Reviewed by Loan Officer, Loan Manager, and Director
- Presented to Loan & Grant Committee for approval







# Reasons for Delay in Process

- **JECDB (new requirements)**
  - A} 4 Board meetings annually
  - B} 4 separate Executive Committee meetings (**MUST** meet each quarter)
- **Lack of Company Information**
  - A} Number of Financials- 2 years past/3 years projection
- **Incorrect Company Information**
  - A} 5 year job creation-need 3 year commitment
- **Failure to use “current” Application (Online/e-mail)**
- **Budget/Narrative does not match PER**
- **Fire Protection Projects-lack of insurance requirement letter**





# Implementation

- **State contract executed**
- **State and local public procurement procedures MUST be followed**
- **The maximum combined total of a FIDP/FJTAP grant is \$750,000 for any project**





# THREE-STAR PROGRAM INCENTIVES AND POINT SYSTEM

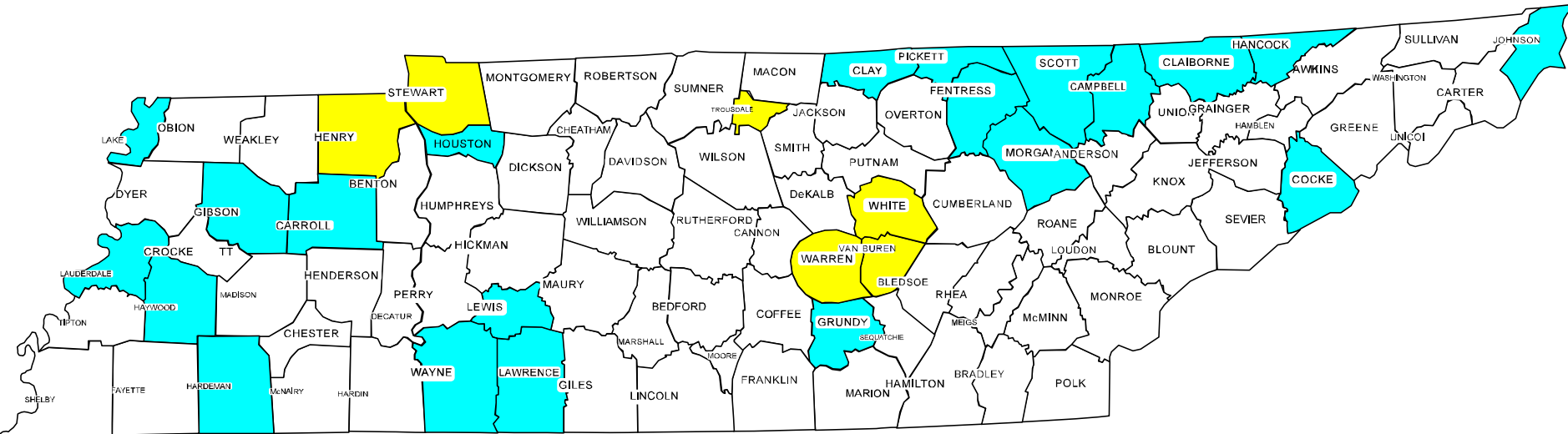
Incentives			
ECD	LEVEL I	LEVEL II	LEVEL III
<b>Matching Grants</b> - One (1) per Three-Star program	\$1,000	\$1,500	\$2,000
<b>CDBG Points:</b>			
City	2	2	2
County	5	5	5
<b>Local Match (CDBG - FastTrack Infrastructure Development Program - DRA):</b>			
City	-1	-2	-3
County	-3	-4	-5
<b>CDBG Loan Limits</b> (Counties described as economically distressed by ECD will remain at the \$750,000 loan limit)			
City	\$550,000	\$575,000	\$600,000
County	\$600,000	\$625,000	\$650,000
<b>Energy</b>	Energy Education - \$500 Loan Interest 2%	Change a Light - \$1,500 Loan Interest 2%	

Points required for Level Completion:

Level I	500
Level II	1,000
Level III	1,500



# ECONOMIC STATUS OF TENNESSEE



**ECONOMICALLY DISTRESSED COUNTIES:** The 10 most disadvantaged counties in each of the following categories: 3 year average unemployment, per capita market income, or poverty rate.



**COMMISSIONER'S DISCRETION:** Any county not otherwise designated which exhibits substantial characteristics of economic distress such as major loss of employment, recent high unemployment rates, traditionally low levels of family incomes, high levels of poverty, and high concentrations of employment in declining industries.



**Economically Distressed Counties Effective July 1, 2006**

Campbell	Fentress	Haywood	Lauderdale	Scott	Wayne
Carroll	Gibson	Henry	Lawrence	Stewart	White
Claiborne	Grundy	Houston	Lewis	Trousdale	
Clay	Hancock	Johnson	Morgan	Van Buren	
Cocke	Hardeman	Lake	Pickett	Warren	



# COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)





# WHAT IS THE CDBG PROGRAM?

- Federal funding for community development activities
- “Small Cities” CDBG Program administered by state since 1982
- Entitlement areas administered by federal government





- **STRUCTURE OF CDBG PROGRAM BASED ON FOUR FACTORS**

- **Title 1 of the Housing and Community Development Act of 1974**
- **Implementing regulations promulgated by HUD**
- **Program priorities developed by ECD, local governments, & citizens**
- **Projects developed at the local level**





# • ELIGIBILITY

- ✓ Only city/county governments may submit an application
- ✓ All city/county governments with the exception of the following:





# EXCEPTIONS

**Cities= Bristol**

**Chattanooga**

**Clarksville**

**Cleveland**

**Jackson**

**Johnson City**

**Kingsport**

**Knoxville**

**Memphis**

**Morristown**

**Murfreesboro**

**Oak Ridge**

**Counties= Davidson**

**Knox**

**Shelby**







# NATIONAL-OBJECTIVES

- ❖ Principally benefit low and moderate income (51% LMI)
- ❖ Eliminate or prevent slums and blight
- ❖ Urgent need (health and safety)





# ELIGIBLE ACTIVITIES

- ☐ Real property acquisition costs
- ☐ Real property disposal costs
- ☐ Clearance of real property
- ☐ Removal of architectural barriers
- ☐ Local code enforcement
- ☐ Historic preservation
- ☐ Planning and capacity building





# ELIGIBLE ACTIVITIES

- Program management, coordination, evaluation
- Provision of public facilities and improvement
- Provision of public services
- Assistance to for-profit entities





# **SPECIFIC INELIGIBLE ACTIVITIES**

- **Buildings for the general conduct of government**
- **General government expenses**
- **Educational facilities**
- **Political expenses**



# DESIGN OF STATE-ADMINISTERED PROGRAM

- **Annual public meetings**
- **Periodic questionnaires**



# TOP PRIORITIES

- Economic Development
- Water and Sewer Systems
- Water and Sewer Lines
- Community Livability
- Housing







# LOCAL OFFICIALS INPUT

- **Program based on local (not state) priorities**
- **Highest priority on economic development, water and sewer**
- **Local flexibility to do other things**
- **Equity/fair treatment**



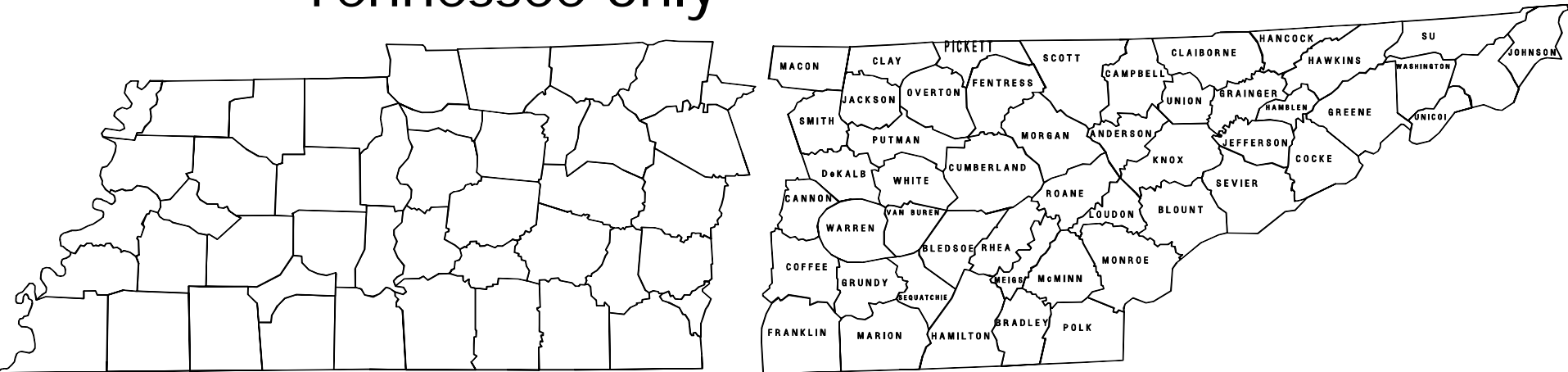


# APPALACHIAN REGIONAL COMMISSION (ARC)



# ARC COUNTIES

- 50 counties in East and Middle Tennessee only





# ARC PROGRAM

- Tennessee's FY '07 allocation (Estimate)

✓ Highways-----	\$ 59,067,000
✓ Distressed Counties-----	\$ 826,978
✓ Area Development-----	\$ 2,677,475
✓ Development Districts-----	\$ 430,000
✓ Flex-E-Grants-----	\$ 80,000
✓ Regional Initiatives-----	\$ 170,584





# ARC PRIORITIES

- Appalachian Development Highway System
- Infrastructure
- Job Creation/Per Capita Income
- Leadership, Civic Development, and Business Development





# ARC PROGRAM DISTRESSED COUNTIES AND AREA DEVELOPMENT

- **50 percent of funds must be used in distressed counties and AREAS**
  - **7 distressed counties in FY 2007**  
{Cocke, Fentress, Grundy, Hancock, Johnson, Pickett, Scott}
- **Residential water service projects ineligible unless in distressed county**
  - “A special showing of compelling need”







# GRANT RATES

- o Distressed counties 80% ARC grant
- o At- Risk counties 50% ARC grant
- o Transitional counties 50% ARC grant
- o Competitive counties 30% ARC grant
- o Attainment counties Ineligible unless region-serving





# ARC

**Applications must be submitted October 1, 2006  
through October 31, 2006**

**You can request forms by e-mail to:**  
**[paula.lovett@state.tn.us](mailto:paula.lovett@state.tn.us)**

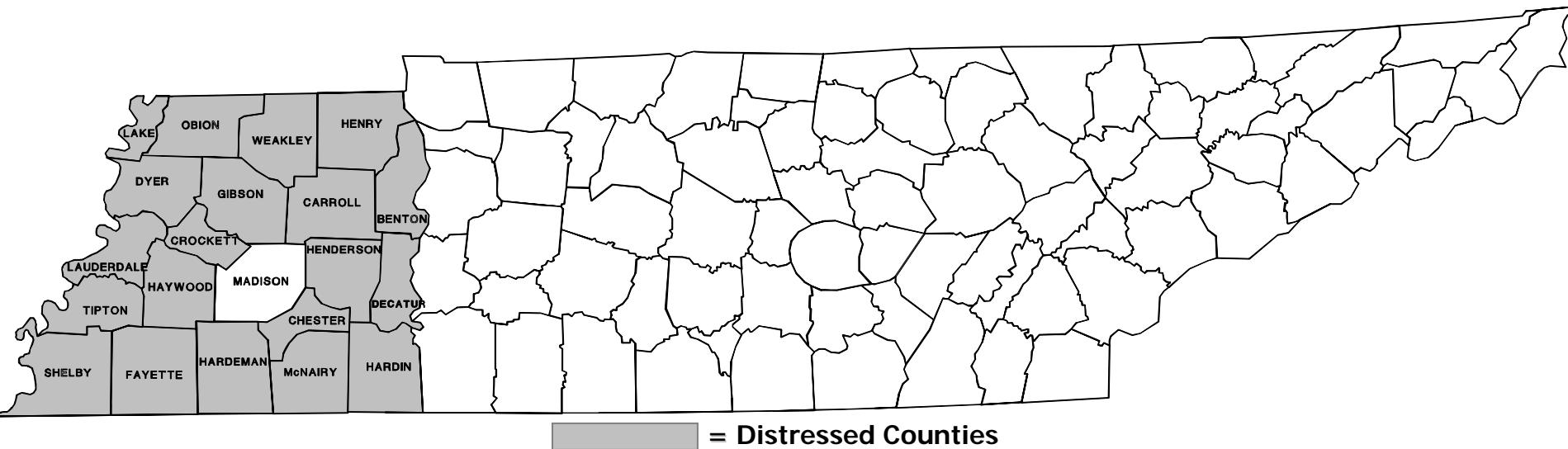




# DELTA REGIONAL AUTHORITY (DRA)



# DRA COUNTIES





# DRA

- **Tennessee Funding 2006-\$1,080,643**
- **DRA Priorities :**
  - Job Creation/Capital Investment**
  - Infrastructure**
  - Education**
  - Leadership-Civic/Business Development**





# How to Apply

Applications are available on the ECD website

For more information contact:

Philip Trauernicht/Paula Lovett/Jeff Bolton  
@

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